中國華南職業教育集團有限公司

SOUTH CHINA VOCATIONAL EDUCATION GROUP COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

**STOCK CODE : 6913**

# 2026

# INTERIM REPORT

# Contents

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Executive Directors**

Mr. He Huishan *(Chairman)*
Ms. He Huifen *(Chief Executive Officer)*
Mr. Lao Hansheng

**Independent Non-executive Directors**

Ms. Yang Yang
Mr. Yeh Zhe-Wei
Mr. Ma Shuchao

## COMPANY SECRETARY

Ms. Suen Ka Yan

## AUTHORISED REPRESENTATIVES

Mr. He Huishan
Mr. Lao Hansheng

## AUDIT COMMITTEE

Ms. Yang Yang *(Chairperson)*
Mr. Yeh Zhe-Wei
Mr. Ma Shuchao

## REMUNERATION COMMITTEE

Mr. Yeh Zhe-Wei *(Chairman)*
Ms. Yang Yang
Mr. Lao Hansheng

## NOMINATION COMMITTEE

Mr. He Huishan *(Chairman)*
Ms. He Huifen
Ms. Yang Yang
Mr. Yeh Zhe-Wei
Mr. Ma Shuchao

## LEGAL ADVISORS AS TO HONG KONG LAW

Haiwen & Partners LLP
Suites 601–602 & 610–616, 6/F
One International Finance Centre
1 Harbour View Street
Central, Hong Kong

## CORPORATE HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

No. 492 Da Guan Zhong Road
Tianhe District
Guangzhou
Guangdong Province
PRC

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai
Hong Kong

## REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

## CAYMAN ISLANDS SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

## HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

## AUDITOR

AOGB CPA Limited
*Certified Public Accountants*
*Registered Public Interest Entity Auditor*
Suite 2501–03, Tesbury Centre
28 Queen's Road East
Admiralty
Hong Kong

## STOCK CODE

06913

## COMPANY WEBSITE

www.scvedugroup.com

## BUSINESS REVIEW

During the six months ended 30 June 2026 (the "Reporting Period"), South China Vocational Education Group Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") operated two schools in the Greater Bay Area, namely, Guangdong Lingnan Institute of Technology* (廣東嶺南職業技術學院) ("Lingnan Institute of Technology") and Guangdong Lingnan Modern Technician College* (廣東嶺南現代技師學院) ("Lingnan Modern Technician College").

### Key Operating Business

The Group's Lingnan Institute of Technology was established in May 2002 to provide diploma education and vocational training and its Lingnan Modern Technician College was established in July 2005 to provide vocational education and training.

*Lingnan Institute of Technology*

Lingnan Institute of Technology is a private vocational education institution that has two campuses, one of which is located in Guangzhou, Guangdong Province (the "Guangzhou Campus"), and the other is located in Qingyuan, Guangdong Province (the "Qingyuan Campus"). As at 30 June 2026, Lingnan Institute of Technology had eight secondary colleges, two public colleges, a college of continuing education, offering over 46 majors in a wide range of disciplines, including but not limited to, rehabilitation therapy and rehabilitation technology, medical laboratory technology, pet medical technology, electronic information engineering technology, e-commerce, computer network technology, intelligent robotics technology, live streaming and operations, industrial robotics technology, digital manufacturing technology of aircraft and intelligent logistics technology. Among these, 4 are provincial key programs, 1 is a provincial type II brand program, and 5 are provincial high-level construction programs. The college has also co-founded an industry college with Unitree Robotics, with a focus on embodied intelligence initiatives.

*Lingnan Modern Technician College*

Lingnan Modern Technician College is a private vocational education institution located in Guangzhou and a state-level skilled talent training base that provides full-time secondary vocational education and short-term vocational skills training programs to the public. As at 30 June 2026, the college comprises 8 faculties, being Health Care, E-commerce, Intelligent Manufacturing, Information Technology, Cultural Creativity and Entrepreneurship Management, Culinary Arts, Fashion and Beauty Industry, and International Education, offering nearly 40 programs including nursing, advertising design, computer network application, computer program design and digital media application. It has also set up 3 industry colleges with industry leaders including JD.com, Huawei, and Siemens. At the same time, standardized pet medical training bases have been established to support the high-quality development of specialized programmes in the broader health and pet medical sectors.

### Ancillary Education Services

The Group also generates revenue from certain ancillary education services, which primarily comprise continuing education programs and other education services. Other education services primarily consist of test preparation and training services the Group provides to the students of its schools for occupational skills appraisal and professional qualifications and certificates, based on which the Group will thereafter expand social training and enterprise technical services on a province-wide scale. These educational services are referred to as the Group's "Ancillary Education Services".

### Business Operating Data

The aggregate number of full-time students enrolled at the Group's schools amounted to 37,191 for the 2025/2026 school year. As at 30 June 2026, the average tuition fee of Lingnan Institute of Technology and Lingnan Modern Technician College amounted to RMB19,755 and RMB16,109, respectively, and the average boarding fee of these two schools amounted to RMB2,630 and RMB2,412, respectively.

## OUTLOOK

### Continuous Improvement in Status of Vocational Education and Increasing Improvement of the Vocational Education System

1) *Increased fiscal investment and improved school facilities*

According to the Notice on Issuing the 2024 Budget for the Modern Vocational Education Quality Enhancement Program (《關於下達2024年現代職業教育質量提升計劃資金預算的通知》), the Notice on Issuing the 2025 Budget for the Modern Vocational Education Quality Enhancement Program (《關於下達2025年現代職業教育質量提升計劃資金預算的通知》) and the Notice on Issuing the 2026 Budget for the Modern Vocational Education Quality Enhancement Program (《關於下達2026年現代職業教育質量提升計劃資金預算的通知》) jointly issued by the Ministry of Education and the Ministry of Finance, the central government's special fund budget for the Modern Vocational Education Quality Improvement Plan has been RMB31,257 million in each of the three consecutive years of 2024, 2025 and 2026. The fund is used to support and guide local governments in actively developing modern vocational education, primarily to promote the high-level development of higher vocational schools and to consolidate and improve the per-student funding system for higher vocational institutions; to strengthen the training and professional development of "dual-qualified" full-time teachers, thereby enhancing teaching quality; and to promote industry-education integration, as well as school-enterprise cooperation, while supporting qualified localities in exploring public-private partnership models and other collaborative approaches.

Meanwhile, according to the Measures for the Evaluation of National Scholarships for Secondary Vocational Education (《中等職業教育國家獎學金評審辦法》) jointly issued by the Ministry of Education, the Ministry of Human Resources and Social Security and the Ministry of Finance, tuition fees are waived for secondary vocational school students from rural areas, urban students enrolled in agriculture-related programs, and those from economically disadvantaged families. The measures also further improved national scholarship and financial aid systems.

2) *Deepening integration of industry and education as well as enhanced school-enterprise cooperation*

According to the Opinions of the Ministry of Education on Deepening the Reform of Key Elements in Vocational Education Teaching (《教育部關於深化職業教育教學關鍵要素改革的意見》), the two-way empowerment between schools and enterprises will be advanced through commissioned construction, school-enterprise co-development, and cluster-based collaborative initiatives. A number of industry-education integration internship and training bases are to be planned and established across schools, enterprises, and industrial parks. Schools are encouraged to explore shareholding and mixed-ownership models, as well as entrusted production line operations and production task contracting, to upgrade and develop additional training facilities. Multiple types of public funds will be allocated to build regional open industry-education integration practice centres. In pilot provinces, on-campus training facilities will be upgraded, with corresponding training carriers deployed by municipal industry-education consortia and industry-wide communities across industrial parks and along industrial chains.

Furthermore, the 15th Five-Year Plan for Educational Development mandates the accelerated development of high-level school-running capacity and high-quality industry-education integration (the "New Double High" initiative) in vocational education. It calls for the coordinated cultivation of students across secondary vocational, higher vocational, and vocational undergraduate programmes, with a steady increase in the number of vocational undergraduate institutions and the expansion of enrolment. Lifelong learning public services will be enhanced, with greater synergy among general higher education institutions, vocational schools and open universities to develop resources and deliver training that is responsive to learner needs. Institutional safeguards for continuing education, self-study examinations and non-degree education will be strengthened, and the digital and intelligent transformation of education will be advanced, with improvements to schools' digital infrastructure and research into new teaching models.

3) *Vocational education system optimization and program specialization*

The General Office of the CPC Central Committee and the State Council's Opinions on Deepening the Reform of Modern Vocational Education System Development (《關於深化現代職業教育體系建設改革的意見》), along with the Ministry of Education's Notice on Accelerating Key Reform Tasks for Modern Vocational Education System Reform (《關於加快推進現代職業教育體系建設改革重點任務的通知》), mandate accelerated development of a modern vocational education framework. This reform adopts a "One Core with Dual Wings" framework (with provincial-level modern vocational education systems as the core, supported by municipal-level industry-education consortiums and sectoral alliances as dual wings) to drive multi-tiered, coordinated advancement across China's vocational education landscape.

4) *Employment and skilled talent development*

The Opinions on Implementing the Employment-First Strategy to Promote High-Quality and Full Employment (《關於實施就業優先戰略促進高質量充分就業的意見》), which was jointly issued by the CPC Central Committee and the State Council in September 2024, accelerates the development of modern vocational education by promoting the integration of vocational and academic education (職普融通), industry-education collaboration (產教融合), and science-education synergy (科教融匯). Key measures include establishing technical education alliances (groups), identifying and developing high-quality technical institutes and programs, incorporating career education into higher education talent cultivation, and advancing career-oriented enlightenment education at the senior high school level.

**Deepening the Development in the Guangdong-Hong Kong-Macao Greater Bay Area to Continue Cultivating and Supplying High-Caliber Talents**

The Guangdong-Hong Kong-Macao Greater Bay Area has become a core growth pole for China's high-quality economic development, with its total economic output accounting for over 10% of the national total in 2025. As the region undergoes economic transformation and upgrading, coupled with the deepening trend of population aging, the skill gap for high-skilled talents in emerging industries and health-related fields continues to widen, with talent demand showing a trend toward large-scale and high-end development.

According to the "Guangdong-Hong Kong-Macao Greater Bay Area (Mainland) Talent Demand Catalog (《粵港澳大灣區(內地)人才需求目錄》)" released by the Human Resources and Social Security Department of Guangdong Province in 2025, the Greater Bay Area is focusing on the development of 20 strategic industrial clusters. Among them, five industries — next-generation information technology, biomedicine and health, new energy, software and information services, and ultra-high-definition video display — rank as the top tier in terms of demand for highly skilled talents. Job development is undergoing a comprehensive transformation toward high skill, high salary, and high growth. To align with industrial talent demands, Guangdong Province and cities within the Greater Bay Area introduced a series of major support policies in 2025. Among these, the "Skills Light the Way to the Future, Talents Empower Industries" Large-Scale Vocational Skills Enhancement Training Initiative (2025–2027) (《「技能照亮前程人才賦能產業」大規模職業技能提升培訓行動(2025–2027)》) provides a full-chain guarantee for the cultivation, deployment, and settling down of highly skilled talents across four dimensions: training subsidies, employment support, settlement benefits, and school-enterprise cooperation, creating a favorable policy environment for the development of vocational education.

**Business Development Strategy**

The Group will improve its results performance through the following six aspects:

1) *High-quality development of academic vocational education*

The Group has formulated medium-to-long-term development objectives for Lingnan Institute of Technology, aligning with the national "New Double High" official requirements for vocational education. Guided by the core principles of "high-level school-running capacity and high-quality industry-education integration", we aim to transform the institute into an entrepreneurial vocational university with distinctive strengths in the health and wellness sector within a decade, positioning it as a benchmark institution for industry-education integration and the convergence of science, technology and education in the "Health & Wellness + TMT" sectors within the Guangdong-Hong Kong-Macao Greater Bay Area. The institute will strictly adhere to the assessment indicators for upgrading to a undergraduate-level university, focus on key programme clusters critical for the upgrade, and continuously strengthen its faculty, programme excellence and comprehensive service capabilities, with the goal of securing national recognition as a "New Double High" institution and developing high-level programme clusters. Concurrently, Lingnan Modern Technician College continues to deepen its collaboration with leading enterprises to establish industry colleges. In partnership with JD Group, it has co-established an industry college to refine the "industry-education-assessment" talent development cycle, introduced corporate instructors to jointly develop curricula, co-built training facilities and implemented order-based targeted training programmes. Together with Huawei, the college has jointly built four digital and intelligent industry-education platforms covering HarmonyOS development, 5G communications, artificial intelligence and cybersecurity. Benchmarking against Germany's dual-system vocational training model, the college has also partnered with Siemens to establish an Intelligent Manufacturing Industry College, enhancing training hardware and the team of "dual-qualified" teachers, while cultivating and supplying interdisciplinary skilled talents for the advanced manufacturing sector of the Greater Bay Area. In addition, drawing on the proven model of its industry colleges, Lingnan Modern Technician College plans to identify new school premises within the Guangdong-Hong Kong-Macao Greater Bay Area and expand its secondary vocational education scale and coverage network by establishing branch campuses or new independent campuses.

2) *Deepening AI deployment and collaboratively build a new industry-education ecosystem*

Leveraging its solid foundation in academic vocational education and core strengths in educational scenarios, faculty, and student resources accumulated over years of entrepreneurial education, the Group has made a strategic, in-depth foray into new AI businesses to create a second growth curve. Rather than a standalone sector, the Group's AI business represents an upgrade and reconstruction of its existing education ecosystem in the AI era. It focuses on three core directions: AI talent cultivation, AI entrepreneurship incubation, and AI software and hardware research and development. This has established a multi-layered, synergistic business system encompassing "academic vocational education — AI training and incubation — data assets and vertical model capabilities," building a differentiated and competitive AI-driven entrepreneurial vocational education ecosystem.

To effectively execute its AI strategy, the Group established a new Applied Education Research Institute in December 2025, concurrently launching three core business segments. First, it has partnered with renowned domestic AI enterprises to build an AI practical talent training base, focusing on three key areas: AIGC applications, AI agent development, and Vibe Coding. It offers practical training, certification and related services targeting job seekers and professionals undergoing career transitions, thereby strengthening the supply of AI talent. Second, it has developed an AI + OPC incubation hub, providing individual entrepreneurs and independent professional service providers with a full-suite offering of AI tool empowerment, professional training and startup incubation, nurturing "super individuals" in the AI era. Third, it is incubating proprietary AI software and hardware businesses, refining its technologies and accumulating experience in real-world business scenarios, while building capabilities in vertical educational applications, data assets, and vertical and on-device model competencies, thereby establishing long-term core competitiveness.

Looking ahead, the Group will continue to refine its AI-driven entrepreneurial vocational education ecosystem, with the AI practical talent training base serving as the ecosystem's entry point and AI entrepreneurship incubation as the core engine. It will continue to nurture high-calibre AI professionals and incubate high-quality innovative enterprises, proactively shaping and leading niche industry sectors, and transcend the traditional model of passively following industry trends in education and industry-education integration. The new AI businesses will be deeply integrated with the Group's core academic vocational education operations, underpinning the Group's long-term high-quality and sustainable development.

3) *M&A-driven expansion of campus network and deepening industry-education integration*

Building on a foundation of steady organic growth, the Group is pursuing external expansion through mergers and acquisitions to broaden its campus network within the Greater Bay Area, with a strategic focus on acquiring high-quality technical colleges and non-degree vocational training institutions in the region, thereby achieving scale expansion and synergistic enhancement of existing assets. Beyond external expansion, and in line with national guidelines on industry-education integration, the Group will adopt a diverse range of models, including entrusted construction by enterprises, school-enterprise co-construction, and cluster-based collaborative development, to plan and build specialized industry-education integration internship and training bases across partner institutions, leading enterprises, and industrial parks. This will create open regional industry-education integration practice centres, forming a comprehensive hands-on education system in which on-campus industry colleges and off-campus industrial park training platforms complement each other, thereby fully realising an integrated industry-education integration framework.

4) *Expanding ancillary education business*

China's vocational skills training market is projected to exceed RMB780 billion by 2026, driven by rising online education penetration rates. Capitalizing on this growth opportunity, the Group is aggressively expanding into vocational skill certification and adult continuing education services. Lingnan Modern Technician College has been approved for the accreditation for 28 types of work, and has set up 28 public training and evaluation outlets in 11 prefectural cities in Guangdong Province, with plans to achieve substantial provincial coverage within three years. Simultaneously, Lingnan Institute of Technology is deepening collaborations with leading industries, major enterprises, and flagship projects, particularly in cross-sector technical services and corporate training. Through its college of continuing education (including the rural revitalization academy), the institution mobilizes secondary schools to participate, leveraging resources such as industry-education integration parks, school-enterprise cooperation platforms, rural revitalization training bases and STEM education centers. This multi-pronged approach enhances both the economic benefits and social impact of our expanded training programs and technical services.

5) *Developing international cooperation*

The Group actively promotes international cooperation in running schools, introduces advanced vocational education projects, and enhances the attractiveness and international characteristics of majors and courses through international cooperation. The Group explores cooperation with overseas colleges and institutions for undergraduate pathway programs (particularly colleges and institutions in Hong Kong, Macao, Singapore, the European Union and other countries and regions).

6) *A new development pattern of "Five-in-One"*

On the basis of the steady growth, quality improvement and upgrading of the vocational education entities, the Group is actively exploring and expanding five major sectors, namely training, talent dispatch, health, e-commerce and public welfare. We are transitioning from an academic education-oriented model to a new development pattern of "five-in-one" driven by "academic education + vocational training + technical services".

## FINANCIAL REVIEW

### Revenue

Revenue represents the value of services rendered during the Reporting Period. The Group's revenue is consisted of tuition fees, boarding fees and other education service fees its schools collected from students.

The Group's revenue increased by approximately 6.9% from approximately RMB361.8 million for the six months ended 30 June 2025 to approximately RMB386.6 million for the six months ended 30 June 2026. The increase was primarily due to an increase in tuition fees and boarding fee as a result of the increase in total full-time student enrollment and increase in tuition fees during the Reporting Period.

### Cost of sales

Cost of sales consists primarily of (i) staff costs; (ii) depreciation of property, plant and equipment; (iii) depreciation of right-of-use assets; (iv) amortization of other intangible assets; (v) cost of cooperative education; (vi) utilities; (vii) teaching expenditures; (viii) student study and practice fees; and (ix) campus property management fee.

The Group's cost of sales increased by approximately 7.9% from approximately RMB238.8 million for the six months ended 30 June 2025 to approximately RMB257.7 million for the six months ended 30 June 2026. The increase was primarily due to (i) an increase in the number of faculty staff members and their average salaries during the Reporting Period; (ii) an increase in depreciation of property, plant and equipment in line with the expansion of the Group's school operating scale during the Reporting Period; and (iii) increased expenditure on maintenance and renovation of campus facilities.

### Gross profit and gross profit margin

The Group's gross profit increased by approximately 4.8% from approximately RMB123.0 million for the six months ended 30 June 2025 to approximately RMB128.9 million for the six months ended 30 June 2026 and the Group's gross profit margin decreased from approximately 34.0% to approximately 33.3% during the same periods. The increase was primarily due to the increase in student enrollment, the scale of the corresponding educational sector has expanded, leading to a corresponding increase in both revenue and costs. However, the growth rate of revenue was slightly lower than that of costs, resulting in a corresponding decrease in gross profit margin.

### Other income and gains

Other income and gains consist primarily of (i) bank interest income; (ii) rental income; (iii) training income; (iv) government grants; (v) brand licensing income; and (vi) service income.

The Group's other income and gains increased by approximately 13.7% from approximately RMB33.9 million for the six months ended 30 June 2025 to approximately RMB38.5 million for the six months ended 30 June 2026. The increase was primarily due to the increase in training income.

### Selling and distribution expenses

Selling and distribution expenses refer to costs incurred for the purpose of marketing and student recruitment promotion, including staff costs, advertising expenses, promotion expenses, office expenses and others.

The Group's selling and distribution expenses increased by approximately 5.2% from approximately RMB13.9 million for the six months ended 30 June 2025 to approximately RMB14.7 million for the six months ended 30 June 2026. The increase was primarily due to the increase in salary of the sales department.

### Administrative expenses

Administrative expenses primarily consist of (i) staff costs and welfare; (ii) depreciation and amortization; (iii) office expenses; and (iv) consulting expenses.

The Group's administrative expenses increased by approximately 1.8% from approximately RMB41.8 million for the six months ended 30 June 2025 to approximately RMB42.6 million for the six months ended 30 June 2026. The increase was primarily due to the increase in consulting service expenses.

### Other expenses

Other expenses consist primarily of (i) cost for rental income; (ii) cost for training income; (iii) donation; (iv) taxes and surcharges; and (v) exchange loss.

The Group's other expenses increased by approximately 99.2% from approximately RMB12.6 million for the six months ended 30 June 2025 to approximately RMB25.1 million for the six months ended 30 June 2026. The increase was primarily due to the payment of domestic taxes from this year and prior years and late payment surcharges for these taxes from prior years.

### Finance costs

Finance costs primarily consist of the interest expenses for its bank and other borrowings and lease liabilities.

The Group's finance costs increased by approximately 23.5% from approximately RMB4.9 million for the six months ended 30 June 2025 to approximately RMB6.0 million for the six months ended 30 June 2026. The increase was primarily in line with the increase in weighted average long-term interest-bearing bank borrowings during the Reporting Period.

### Income tax

The Group's income tax increased by approximately RMB21.2 million for the six months ended 30 June 2026. The increase in income tax is mainly due to the provision for corporate income tax expenses for the period.

### Profit for the period

As a result of the above factors, profit for the period of the Group decreased by approximately 30.8% from approximately RMB83.7 million for the six months ended 30 June 2025 to approximately RMB58.0 million for the six months ended 30 June 2026.

## FINANCIAL AND LIQUIDITY POSITION

### Current assets and current liabilities

As at 30 June 2026, the Group had net current liabilities of approximately RMB211.1 million, decreased by approximately 23.5% from the net current liabilities of approximately RMB275.8 million as at 31 December 2025. The decrease in net current liabilities as at such date was primarily due to (i) a decrease in contract liabilities as a result of revenue recognition of tuition fees and boarding fees for 2025/2026 school year; and (ii) a decrease in taxes payable as a result of payment of corporate income tax expenses from prior years.

The Group's current assets decreased by approximately RMB255.0 million to approximately RMB344.3 million as at 30 June 2026 from approximately RMB599.3 million as at 31 December 2025. The decrease in current assets was primarily attributable to the decrease in cash and cash equivalents due to payment of corporate income tax expenses and the late payment surcharges for taxes expenses from prior years.

The Group's current liabilities decreased by approximately RMB319.7 million to approximately RMB555.4 million as at 30 June 2026 from approximately RMB875.1 million as at 31 December 2025, mainly reflecting a decrease in contract liabilities of approximately RMB228.9 million as a result of revenue recognition of tuition fees and boarding fees for 2025/2026 school year; and decrease in tax payable of approximately RMB103.5 million as a result of payment of corporate income tax expenses from prior years.

### Indebtedness

Interest-bearing bank and other borrowings primarily consist of short-term working capital loans to supplement its working capital and finance its expenditure and long-term project loans for the continuous development of its school buildings and facilities.

The Group's interest-bearing bank and other borrowings amounted to approximately RMB421.9 million as at 30 June 2026, denominated in RMB. As at 30 June 2026, the Group's interest-bearing bank and other borrowings bore effective interest rates ranging from approximately 2.7% to 4.7% per annum. The fixed interest rate borrowing was RMB107.1 million. The Group has not used any financial instruments for interest rate hedging purposes during the Reporting Period while the Group pays vigilant attention to and monitors interest rate risk continuously and cautiously.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of internally generated cash flows from operations and bank and other borrowings. The Group regularly assesses its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations. The Group has adopted a prudent financial management approach towards its treasury policies and will revisit such policies from time to time, taking into account, among other things, the cash flows requirement and expansion of the Group.

### Financial assets at fair value through profit or loss

As at 30 June 2026, the Group did not have any financial assets at fair value through profit or loss (31 December 2025: nil).

### Contingent liabilities and guarantees

As at 30 June 2026, the Group did not have any unrecorded significant contingent liabilities, guarantees or any material litigation against any member of the Group (31 December 2025: nil).

### Pledge of assets

As at 30 June 2026, no assets of the Group were pledged to secure bank loans and other borrowings (31 December 2025: nil).

### Foreign exchange exposure

All of the Group's revenue and the majority of its expenditures are denominated in RMB. As at 30 June 2026, majority of the Group's bank balances were denominated in RMB. The Group currently does not have any foreign currency hedging policies and did not hedge against any fluctuation in foreign exchange rates during the Reporting Period due to the insignificance of foreign exchange risk. The management will continue to assess the Group's foreign exchange risk exposure and consider adopting prudent measures as appropriate.

### Gearing ratio

The gearing ratio, which is calculated by using total interest-bearing bank and other borrowings divided by total equity, increased to approximately 26.1% as at 30 June 2026 from approximately 24.3% as at 31 December 2025, mainly due to the increase of the Group's interest-bearing bank and other borrowings.

## EMPLOYMENT, REMUNERATION POLICY AND TRAINING

As at 30 June 2026, the Group had a total of 2,077 employees. Employees of the Group are remunerated based on their performance, experience and prevailing industry practices, with all compensation policies and packages reviewed on a regular basis. The remuneration of the Group's employees includes salaries and allowances. During the Reporting Period, the remuneration of the Group's employees was RMB154.6 million (30 June 2025: RMB140.0 million). As required by the PRC laws and regulations, the Group participates in various employee social security plans for its employees that are administered by local governments, including housing, pension, medical insurance, maternity insurance and unemployment insurance. The Group also emphasises employee trainings and career development, and invests in the education and training programs for its employees with the purpose of upgrading their knowledge on the latest trends and developments of the industry.

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARE, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2026, the interests and short positions of the directors (the "Directors") and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), Chapter 571 of the Laws of Hong Kong), as notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

### Long Position in the Shares of the Company

| Name of Director | Nature of interest | Number of shares held | Position | Approximate percentage of shareholding in the Company as at 30 June 2026[1] |
|---|---|---|---|---|
| Mr. He Huishan | Interest in a controlled corporation[2][3] | 677,000,000 | Long | 50.75% |
| Ms. He Huifen | Interest in a controlled corporation[4] | 247,000,000 | Long | 18.52% |

Notes:

(1) Based on the number of issued shares of the Company (the "Shares") as at 30 June 2026, being 1,334,000,000 Shares.

(2) Zhihui Guang Limited ("Zhihui Guang") is owned as to 51% by Mr. He Huishan and 49% by Ms. Zhou Lanqing, respectively. Ms. Zhou Lanqing is the spouse of Mr. He Huishan. Mr. He Huishan is therefore deemed to be interested in the Shares held by Zhihui Guang by virtue of the SFO, being 570,000,000 Shares.

(3) Mr. He Huishan is the sole shareholder of Good Booming Limited ("Good Booming"). Mr. He Huishan is therefore deemed to be interested in the Shares held by Good Booming by virtue of the SFO, being 107,000,000 Shares.

(4) Ms. He Huifen is the sole shareholder of China Foreign Education Limited ("China Foreign Education"). Ms. He Huifen is therefore deemed to be interested in the Shares held by China Foreign Education by virtue of the SFO, being 247,000,000 Shares.

### Long Position in the Shares of the Associated Companies

*Long Position in the Shares of Guangzhou Lingnan Education Group Co., Ltd. (廣州嶺南教育集團有限公司)*

| Name of Director | Nature of interest | Number of shares held | Position | Approximate percentage of shareholding in the associated company as at 30 June 2026[1] |
|---|---|---|---|---|
| Mr. He Huishan | Beneficial owner | 21,000,000 | Long | 70.00% |
| Ms. He Huifen | Beneficial owner | 9,000,000 | Long | 30.00% |

Note:

(1) Based on the number of issued shares of Guangzhou Lingnan Education Group Co., Ltd. as at 30 June 2026, being 30,000,000 shares.

Save as disclosed above, as at 30 June 2026, neither the chief executive of the Company nor any of the Directors had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2026, so far as is known to the Directors or chief executive of the Company, the following persons (other than Directors or chief executive of the Company) or corporations who had interest or short positions in the shares and underlying shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under Section 336 of the SFO were as follows:

| Name of Substantial Shareholder | Nature of interest | Number of shares held | Position | Approximate percentage of shareholding in the Company as at 30 June 2026[1] |
|---|---|---|---|---|
| Zhihui Guang | Beneficial owner[2] | 570,000,000 | Long | 42.73% |
| Good Booming | Beneficial owner[3] | 107,000,000 | Long | 8.02% |
| Ms. Zhou Lanqing | Interest in a controlled corporation[2] | 570,000,000 | Long | 42.73% |
| | Spouse interest[2][3] | 107,000,000 | Long | 8.02% |
| China Foreign Education | Beneficial owner[4] | 247,000,000 | Long | 18.52% |
| Mr. Han Liqing | Spouse interest[4] | 247,000,000 | Long | 18.52% |
| Fangyuan Education | Beneficial owner[5] | 76,000,000 | Long | 5.70% |
| Mr. Du Wenyu | Interest in a controlled corporation[5] | 76,000,000 | Long | 5.70% |

Notes:

(1) Based on the number of issued Shares as at 30 June 2026, being 1,334,000,000 Shares.

(2) Zhuihui Guang is owned as to 51% by Mr. He Huishan and 49% by Ms. Zhou Lanqing, respectively. Ms. Zhou Lanqing is the spouse of Mr. He Huishan. Ms. Zhou Lanqing is therefore deemed to be interested in the Shares held by Zhihui Guang by virtue of the SFO, being 570,000,000 Shares.

(3) Mr. He Huishan is the sole shareholder of Good Booming. Ms. Zhou Lanqing is the spouse of Mr. He Huishan. Ms. Zhou Lanqing is therefore deemed to be interested in the Shares held by Good Booming by virtue of the SFO, being 107,000,000 Shares.

(4) Ms. He Huifen is the sole shareholder of China Foreign Education. Mr. Han Liqing is the spouse of Ms. He Huifen. Mr. Han Liqing is therefore deemed to be interested in the Shares held by China Foreign Education by virtue of the SFO, being 247,000,000 Shares.

(5) Mr. Du Wenyu is the sole shareholder of Fangyuan International Education Investment Limited ("Fangyuan Education"). Mr. Du Wenyu is therefore deemed to be interested in the Shares held by Fangyuan Education by virtue of the SFO, being 76,000,000 Shares.

Save as disclosed above, as at 30 June 2026, the Directors and the chief executive of the Company are not aware of any other person (other than Directors or chief executive of the Company) or corporation having an interest or short position in the shares and underlying shares of the Company which would require to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

## SHARE OPTION SCHEME

A share option scheme (the "Scheme") was conditionally approved by a written resolution of the shareholders of the Company (the "Shareholders") on 23 June 2021 and adopted by a resolution of the board of Directors (the "Board') on the same day before the effective date of the new Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") (i.e. 1 January 2023). Details of the share option scheme are set out in "Appendix V — Statutory and General Information" of the prospectus of the Company dated 30 June 2021 (the "Prospectus").

The purpose of the Scheme is to give the Eligible Persons (as defined below) an opportunity to have a personal stake in the Company and help motivate them to optimize their future contributions to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such Eligible Persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group, and additionally in the case of Executives (as defined below), to enable the Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions.

The Board may, at its absolute discretion, offer options ("Options") to subscribe for such number of Shares in accordance with the terms set out in the Scheme to:

(a) any executive director of, manager of, or other employee holding an executive, managerial, supervisory or similar position in any member of our Group ("Executive"), any proposed employee, any full-time or part-time employee, or a person for the time being seconded to work full-time or part-time for any member of our Group ("Employee");

(b) a director or proposed director (including an independent non-executive director) of any member of our Group;

(c) a direct or indirect shareholder of any member of our Group;

(d) a supplier of goods or services to any member of our Group;

(e) a customer, consultant, business or joint venture partner, franchisee, contractor, agent or representative of any member of our Group;

(f) a person or entity that provides design, research, development or other support or any advisory, consultancy, professional or other services to any member of our Group;

(g) an associate of any of the persons referred to in paragraphs (a) to (f) above; and

(h) any person involved in the business affairs of our Company whom our Board determined to participate in the Share Option Scheme (the person referred above are the "Eligible Persons")*.

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Scheme and any other schemes of the Group shall not in aggregate exceed 10% of the Shares in issued as at the date of listing of the Company on the Stock Exchange (i.e. 13 July 2021, the "Listing Date"), representing 133,400,000 Shares. The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other schemes of our Group shall not exceed 30% of the Company's issued share capital from time to time. No Options may be granted under the Scheme and any other share option scheme of the Company if this will result in such limit being exceeded.

No option may be granted to any participant of the Scheme such that the total number of Shares issued and to be issued upon exercise of the Options granted and to be granted to that person in any 12-month period exceeds 1% of the Company's issued share capital from time to time. Where any further grant of Options to such an Eligible Person would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted to such Eligible Person (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant shall be separately approved by the Shareholders in general meeting with such Eligible Person and his close associates (or his associates if such Eligible Person is a connected person) abstaining from voting.

Note:

* Pursuant to the amendments to the Listing Rules with effect from 1 January 2023, the Eligible Persons under the Scheme is subject to Rule 17.03A of the Listing Rules.

An option may be exercised in accordance with the terms of the Scheme at any time during a period as determined by the Board. Subject to the terms of the Scheme, the Scheme shall be valid and effective for a period of 10 years from the Listing Date, after which no further Options will be granted or offered but the provisions of the Scheme shall remain in force and effect in all other respects. All Options granted prior to such expiry and not then exercised shall continue to be valid and exercisable subject to and in accordance with the Scheme. Subject to the terms and conditions as the Board may determine (including such terms and conditions in relation to their vesting, exercise or otherwise), there is no minimum period for which an Option must be held before it can be exercised. Participants of the Scheme are required to pay the Company HK$1.0 upon acceptance of the grant on or before the 28 days after the offer date. The exercise price of the Options is determined by the Board in its absolute discretion and shall not be less than whichever is the highest of:

(a) the nominal value of a Share;

(b) the closing price of a Share as stated in the Stock Exchange's daily quotations sheets on the offer date; and

(c) the average closing price of a Share as stated in the Stock Exchange's daily quotation sheets for the five Business Days immediately preceding the offer date.

The Scheme has a remaining life of approximately 4 years and 10 months as at the date of this interim report.

For the period from the date of the adoption of the Scheme to the date of this report, no options were granted, outstanding, exercised, cancelled or lapsed under the Scheme. Thus, as at the beginning and the end of the six months ended 30 June 2026 and the date of this report, the number of Shares issuable under the Scheme was 133,400,000, which represented 10% of the Shares in issue (excluding treasury shares (as defined in the Listing Rules)) as at the same date and the weighted average number of the Shares in issue (excluding treasury shares (as defined in the Listing Rules)) of the Company. As there had been no grant or exercise of any share options during the Reporting Period, the disclosure requirements under Rules 17.07(1)(d) and 17.07(3) of the Listing Rules regarding the weighted average closing price of the Shares immediately prior to exercise date and the number of shares that may be issued in respect of options and awards granted under all schemes of the Company during the Reporting Period divided by the weighted average number of shares of the relevant class in issue (excluding treasury shares (as defined in the Listing Rules)) for the Reporting Period are not applicable.

## SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Save as disclosed herein, the Company did not have any significant events that should be brought to the attention of the Shareholders from the end of the Reporting Period and up to the date of this report.

## CHANGE OF FINANCIAL YEAR END DATE

The Board resolved to change the financial year end date of the Company from 31 December to 31 August on 26 August 2026, in order to align the financial year end date of the Group with the academic year of the schools operated by the Group in the PRC, which ends in August each year. The reasons for the change and other details were disclosed in the Company's announcement dated 26 August 2026.

## USE OF NET PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

The net proceeds (the "Net Proceeds") from the global offering of ordinary shares, after deducting underwriting commission and other expenses, were approximately HK$446.0 million.

As at 30 June 2026, the Company had utilised HK$446.0 million of the Net Proceeds, representing 100.0% of the Net Proceeds. The Net Proceeds had been fully utilised.

The following table sets forth a summary of the utilisation of the Net Proceeds and the expected timeline of the use of the Net Proceeds:

| Purpose | Revised portion as stated in the announcement of the Company dated 30 March 2026 | Re-allocation of the Net Proceeds as stated in the announcement of the Company dated 30 March 2026 | Utilised amount during the Reporting Period | Utilised amount as at 30 June 2026 | Unutilised amount as at 30 June 2026 | Expected timeline |
|---|---|---|---|---|---|---|
| | | *HK$' Million* | *HK$' Million* | *HK$' Million* | *HK$' Million* | |
| Further increase student capacity of the schools with an aim to upgrade Lingnan Institute of Technology from an associate college to a vocational university | | | | | | |
| – Acquiring additional land of approximately 400,200 sq.m. | – | – | – | – | – | N/A |
| – Constructing additional teaching and administrative facilities and purchasing teaching equipment | 72.3% | 322.7 | 50.1 | 322.7 | – | N/A |
| – Constructing an industry and education integrated industrial park | 1.0% | 4.3 | – | 4.3 | – | N/A |
| Acquire other schools and educational service providers to expand the school network | 16.7% | 74.4 | – | 74.4 | – | N/A |
| Working capital | 10.0% | 44.6 | – | 44.6 | – | N/A |
| **Total** | **100.0%** | **446.0** | **50.1** | **446.0** | **–** | |

The Board closely monitors the use of Net Proceeds with reference to those previously disclosed in the announcement of the Company dated 30 March 2026. The Net Proceeds have been fully utilized as at 30 June 2026 in accordance with the expected timeline and intended purposes.

## INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: HK2.0 cents per share).

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities (including sale of treasury shares (as defined in the Listing Rules)) for the six months ended 30 June 2026. As at 30 June 2026, no treasury shares (as defined in the Listing Rules) were held by the Company.

## SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

Save as disclosed herein, the Group did not hold any significant investment nor did the Group carry out any material acquisition or disposal of subsidiaries, associates, joint ventures or affiliated companies during the Reporting Period.

## FUTURE PLANS FOR MATERIAL INVESTMENTS AND INVESTMENTS IN CAPITAL ASSETS

Save as disclosed herein, as at 30 June 2026, the Group did not have any plans for material investments or investments in capital assets.

## CHANGES IN THE INFORMATION OF THE DIRECTORS OR THE CHIEF EXECUTIVE AS REQUIRED TO BE DISCLOSED PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

There was no change in the information which was required to be disclosed by Directors or the chief executive of the Company pursuant to Rule 13.51B(1) of the Listing Rules.

## CORPORATE GOVERNANCE CODE

The Directors recognise the importance of good corporate governance in management and internal procedures so as to achieve effective accountability. The Company has adopted corporate governance practices based on the principles and code provisions as set out in Part 2 of the Corporate Governance Code (the "CG Code") as contained in Appendix C1 to the Listing Rules as its own code of corporate governance practices. During the Reporting Period, the Company has complied with all code provisions in Part 2 of the CG Code.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as the code of conduct governing Directors' securities transactions. The Company confirms that, having made specific enquiries of all the Directors, each of them has complied with the required standard as set out in the Model Code for the six months ended 30 June 2026.

## AUDIT COMMITTEE AND REVIEW OF INTERIM FINANCIAL INFORMATION

The audit committee of the Board has reviewed, together with the management, the accounting principles and policies adopted by the Group, and discussed, among other things, financial reporting matters including a review of the unaudited consolidated results of the Group for the six months ended 30 June 2026.

## CONTRACTUAL ARRANGEMENTS

Please refer to the section headed "Contractual Arrangements" of the Prospectus for details. The Board has reviewed the overall performance of the Contractual Arrangements and believe that the Group complied with the Contractual Arrangements in all material respects during the Reporting Period and up to the date of this report.

## QUALIFICATION REQUIREMENTS

Please refer to the section headed "Contractual Arrangements — PRC Laws and Regulations relating to Foreign Ownership in the Education Industry — Higher Education and Secondary Vocational Education" of the Prospectus in relation to the Sino-foreign cooperation requirement under the Negative List for the provision of higher education in the PRC where the foreign investor shall operate higher education in the PRC through cooperation with a PRC educational institution in compliance with the Sino-Foreign Regulation.

In relation to the interpretation of Sino-foreign cooperation, pursuant to the Sino-Foreign Regulation, if the Group were to apply for Lingnan Institute of Technology to be reorganized as a Sino-foreign joint venture private school for PRC students at a higher education institution (a "Sino-Foreign Joint Venture Private School"), the foreign investor in the Sino-Foreign Joint Venture Private School must be a foreign educational institution with relevant qualification and that provides high quality education (the "Qualification Requirement I"). Furthermore, pursuant to the Implementation Opinions of the MOE on Encouraging and Guiding the Entry of Private Capital in the Fields of Education and Promoting the Healthy Development of Private Education (《教育部關於鼓勵和引導民間資金進入教育領域促進民辦教育健康發展的實施意見》), the foreign portion of the total investment in a Sino-Foreign Joint Venture Private School should be below 50% (the "Foreign Ownership Restriction"). In addition, pursuant to the Sino-Foreign Regulation, the establishment of Sino-Foreign Joint Venture Private School is subject to approval of education authorities at the provincial or national level. Pursuant to the Sino-foreign Vocational Skills Training Measures (《中外合作職業技能培訓辦學管理辦法》), the foreign investor in a Sino foreign technical school (a "Sino-Foreign Joint Venture Private Technical School") must be a foreign education institution or a foreign vocational skills training institution with relevant qualification and high quality (the "Qualification Requirement II"). If the Group were to apply for Lingnan Modern Technician College to be reorganized as a Sino-Foreign Joint Venture Private Technical School for PRC students at a technical school, it shall abide by the Qualification Requirement II.

As advised by the Company's PRC legal advisors, there was no update on any implementing measures or specific guidance being promulgated pursuant to the Sino-Foreign Regulation to provide quantitative or specific standards on the Qualification Requirement I and/or Qualification Requirement II in Guangdong Province during the Reporting Period and up to the date of this report.

Please also refer to previous annual and interim reports of the Company and the section headed "Contractual Arrangements — PRC Laws and Regulations relating to Foreign Ownership in the Education Industry — Plan to Comply with the Qualification Requirement" in the Prospectus for further details on the Group's efforts and actions undertaken in previous years to comply with the Qualification Requirement I and/or Qualification Requirement II.

The Group is committed to working on the compliance with the Qualification Requirement I and/or Qualification Requirement II. The Group shall continue to explore various possibilities including but not limited to establishing new schools in other overseas regions, acquiring quality overseas education service providers, and expanding the Group's school network by cooperating with experienced and reputational overseas education service providers. The Company will keep the Shareholders informed should it make any substantial progress in this respect.

## FOREIGN INVESTMENT LAW

Please refer to the section headed "Contractual Arrangements — Development In The PRC Legislation On Foreign Investment" of the Prospectus for the background of the Foreign Investment Law (外商投資法實施條例) and the impact and potential consequences of the Foreign Investment Law and its implementation regulations on the Group's contractual arrangements. As advised by the Company's PRC legal advisors, neither was there any change on the compliance status of the Group's contractual arrangements with the Foreign Investment Law as described in the Prospectus, nor was there any update on regulatory development in relation to the Foreign Investment Law since 1 January 2026 and up to the date of this report.

## COMPETING BUSINESS

The Board confirmed that neither the Directors nor any of their associates had any business or interest that competes or may compete with the business of the Group and there were no other conflicts of interest which any such person had or may have with the Group during the Reporting Period and up to the date of this report.

## THE 2016 DECISION AND THE 2021 IMPLEMENTATION RULES

Please refer to the section headed "Business — Potential Implications of the 2016 Decision and Related Implementation Rules" and "Business — The 2021 Implementation Rules" of the Prospectus for details of the 2016 Decision and the 2021 Implementation Rules.

As part of the Group's measures to mitigate its compliance risks in relation to the 2016 Decision, the 2021 Implementation Rules and other relevant legal and regulatory developments, including its decision to register its schools as for-profit private schools or non-profit private schools in the future, the Group has assigned the responsibility to its finance and legal departments to pay close attention to the developments of these policies and regulations and the operations of its schools. They will report to the Group's Board on a regular basis and the Group will promptly consult with its PRC legal advisors as and when required. The Group will also ensure that its acquisition in the future will fully comply with the relevant rules and regulations in effect from time to time. The Group will ensure that any decision will be made on a fully-informed basis by its Board, taking into account the findings of its finance and legal departments and will update its shareholders and investors as and when appropriate.

The Board confirmed that no relevant update was required to be provided to its Shareholders and investors in this regard during the Reporting Period and up to the date of this report.

By order of the Board
**He Huishan**
*Chairman*

Hong Kong, 26 August 2026

*In this report, the English translation of company or entity names in Chinese which are marked with "*" is for identification purpose only.*

# UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2026

| | Notes | Six months ended 30 June 2026 RMB'000 (Unaudited) | 2025 RMB'000 (Unaudited) |
|---|---|---|---|
| REVENUE | 4 | 386,573 | 361,785 |
| Cost of sales | | (257,671) | (238,775) |
| Gross profit | | 128,902 | 123,010 |
| Other income and gains | 4 | 38,473 | 33,852 |
| Selling and distribution expenses | | (14,660) | (13,936) |
| Administrative expenses | | (42,564) | (41,825) |
| Other expenses | | (25,116) | (12,606) |
| Finance costs | | (6,027) | (4,882) |
| PROFIT BEFORE TAX | 5 | 79,008 | 83,613 |
| Income tax (expense)/credit | 6 | (21,046) | 128 |
| PROFIT FOR THE PERIOD | | 57,962 | 83,741 |
| OTHER COMPREHENSIVE INCOME | | | |
| Other comprehensive income that may be reclassified to profit or loss in subsequent periods: | | | |
| Exchange differences on translation of financial statements | | 1,735 | 49 |
| Net other comprehensive income that may be reclassified to profit or loss in subsequent periods | | 1,735 | 49 |
| OTHER COMPREHENSIVE INCOME FOR THE PERIOD | | 1,735 | 49 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | | 59,697 | 83,790 |

| | Note | Six months ended 30 June 2026 RMB'000 (Unaudited) | 2025 RMB'000 (Unaudited) |
|---|---|---|---|
| Profit attributable to: | | | |
| Owners of the parent | | **57,849** | 83,660 |
| Non-controlling interests | | **113** | 81 |
| | | **57,962** | 83,741 |
| Total comprehensive income attributable to: | | | |
| Owners of the parent | | **59,584** | 83,709 |
| Non-controlling interests | | **113** | 81 |
| | | **59,697** | 83,790 |
| EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT | 8 | | |
| Basic and diluted | | | |
| — For profit for the period | | **RMB0.04** | RMB0.06 |

| | Notes | 30 June 2026 RMB'000 (Unaudited) | 31 December 2025 RMB'000 (Audited) |
|---|---|---|---|
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 9 | 1,840,615 | 1,823,472 |
| Investment properties | | 45,013 | 45,979 |
| Right-of-use assets | | 370,471 | 386,634 |
| Goodwill | | 3,052 | 3,052 |
| Other intangible assets | | 13,896 | 14,246 |
| Contract costs | | 6,882 | 10,677 |
| Prepayments, other receivables and other assets | | 17,055 | 18,456 |
| Deferred tax assets | | 10,853 | 12,426 |
| Total non-current assets | | 2,307,837 | 2,314,942 |
| CURRENT ASSETS | | | |
| Prepayments, other receivables and other assets | | 37,500 | 17,644 |
| Accounts receivable | 10 | 7,668 | 8,129 |
| Amounts due from related parties | 14(c) | 8,346 | 1,961 |
| Contract costs | | 10,464 | 11,930 |
| Cash and cash equivalents | | 230,290 | 479,592 |
| Time deposits | | 50,000 | 80,000 |
| Total current assets | | 344,268 | 599,256 |
| CURRENT LIABILITIES | | | |
| Contract liabilities | 4 | 92,538 | 321,462 |
| Other payables and accruals | | 253,356 | 275,718 |
| Interest-bearing bank and other borrowings | | 140,492 | 103,572 |
| Lease liabilities | | 23,160 | 23,604 |
| Tax payable | | 43,156 | 146,627 |
| Amounts due to related parties | 14(c) | 259 | 557 |
| Deferred income | | 2,406 | 3,529 |
| Total current liabilities | | 555,367 | 875,069 |
| NET CURRENT LIABILITIES | | (211,099) | (275,813) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 2,096,738 | 2,039,129 |

| | Notes | 30 June 2026 RMB'000 (Unaudited) | 31 December 2025 RMB'000 (Audited) |
|---|---|---|---|
| NON-CURRENT LIABILITIES | | | |
| Interest-bearing bank and other borrowings | | **281,451** | 274,423 |
| Lease liabilities | | **108,453** | 117,999 |
| Deferred tax liabilities | | **7,925** | 7,722 |
| Deferred income | | **83,157** | 82,930 |
| Total non-current liabilities | | **480,986** | 483,074 |
| Net assets | | **1,615,752** | 1,556,055 |
| EQUITY | | | |
| Equity attributable to owners of the parent | | | |
| Share capital | 11 | **11,124** | 11,124 |
| Reserves | | **1,604,034** | 1,544,450 |
| | | **1,615,158** | 1,555,574 |
| Non-controlling interests | | **594** | 481 |
| Total equity | | **1,615,752** | 1,556,055 |

| | Attributable to owners of the parent | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Share capital RMB'000 Note 11 | Capital reserve – share premium RMB'000 | Capital reserve – others RMB'000 | Statutory and other surplus reserves RMB'000 | Exchange fluctuation reserve RMB'000 | Retained profits RMB'000 | Total RMB'000 | Non-controlling interests RMB'000 | Total equity RMB'000 |
| At 31 December 2025 (audited) | 11,124 | 221,707* | 5,593* | 285,620* | (1,837)* | 1,033,367* | 1,555,574 | 481 | 1,556,055 |
| Profit for the period | – | – | – | – | – | 57,849 | 57,849 | 113 | 57,962 |
| Other comprehensive income for the period: | | | | | | | | | |
| Exchange differences on translation of financial statements | – | – | – | – | 1,735 | – | 1,735 | – | 1,735 |
| Total comprehensive income for the period | – | – | – | – | 1,735 | 57,849 | 59,584 | 113 | 59,697 |
| Transfer from retained profits | – | – | – | 8,014 | – | (8,014) | – | – | – |
| At 30 June 2026 (unaudited) | 11,124 | 221,707* | 5,593* | 293,634* | (102)* | 1,083,202* | 1,615,158 | 594 | 1,615,752 |

* These reserve accounts comprise the consolidated reserves of RMB1,604,034,000 in the unaudited interim condensed consolidated statement of financial position as at 30 June 2026.

| | Attributable to owners of the parent | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Share capital RMB'000 Note 11 | Capital reserve – share premium RMB'000 | Capital reserve – others RMB'000 | Statutory and other surplus reserves RMB'000 | Exchange fluctuation reserve RMB'000 | Retained profits RMB'000 | Total RMB'000 | Non-controlling interests RMB'000 | Total equity RMB'000 |
| At 31 December 2024 (audited) | 11,124 | 262,031 | 5,593 | 284,280 | (233) | 1,094,325 | 1,657,120 | 309 | 1,657,429 |
| Profit for the period | – | – | – | – | – | 83,660 | 83,660 | 81 | 83,741 |
| Other comprehensive income for the period: | | | | | | | | | |
| Exchange differences on translation of financial statements | – | – | – | – | 49 | – | 49 | – | 49 |
| Total comprehensive income for the period | – | – | – | – | 49 | 83,660 | 83,709 | 81 | 83,790 |
| Transfer from retained profits | – | – | – | 9,115 | – | (9,115) | – | – | – |
| Final dividend declared for 2024 | – | (16,004) | – | – | – | – | (16,004) | – | (16,004) |
| At 30 June 2025 (unaudited) | 11,124 | 246,027 | 5,593 | 293,395 | (184) | 1,168,870 | 1,724,825 | 390 | 1,725,215 |

## UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

| | Notes | Six months ended 30 June 2026 RMB'000 (Unaudited) | 2025 RMB'000 (Unaudited) |
|---|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before tax | | 79,008 | 83,613 |
| Adjustments for: | | | |
| Finance costs | | 6,027 | 4,882 |
| Bank interest income | 4 | (897) | (1,995) |
| Government grants released | 4 | (2,519) | (4,249) |
| Exchange (gain)/loss, net | 4,5 | (154) | 64 |
| Loss on disposal of items of property, plant and equipment, net | 5 | 90 | 90 |
| Depreciation of property, plant and equipment | 5 | 44,233 | 40,758 |
| Depreciation of investment properties | 5 | 965 | 965 |
| Depreciation of right-of-use assets | 5 | 16,164 | 16,066 |
| Amortisation of other intangible assets | 5 | 2,604 | 1,554 |
| | | 145,521 | 141,748 |
| Decrease in accounts receivable | | 461 | 6,873 |
| Increase in prepayments, other receivables and other assets | | (38,510) | (8,897) |
| Decrease in contract costs | | 5,261 | 789 |
| Withdraw of restricted bank deposits | | – | 22,888 |
| Increase in operating portion of amounts due from related parties | | (6,385) | (3,829) |
| (Decrease)/increase in operating portion of amounts due to related parties | | (298) | 1,904 |
| Decrease in other payables and accruals | | (5,425) | (24,320) |
| Decrease in contract liabilities | | (228,924) | (172,929) |
| Receipt of government grants | | 1,623 | 1,211 |
| Cash used in operations | | (126,676) | (34,562) |
| Bank interest received | | 302 | 550 |
| Chinese Mainland corporate income tax paid | | (122,740) | (1,699) |
| Net cash flows used in operating activities | | (249,114) | (35,711) |

| | Six months ended 30 June | |
|---|---|---|
| | 2026 | 2025 |
| | RMB'000 | RMB'000 |
| | (Unaudited) | (Unaudited) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from disposal of financial assets at fair value through profit or loss | – | 30 |
| Interest received | 595 | 1,445 |
| Placement of non-pledged time deposits with original maturity of more than three months when acquired | – | (95,000) |
| Withdraw of non-pledged time deposits with original maturity of more than three months when acquired | 30,000 | 85,000 |
| Additions to other intangible assets | (2,254) | (1,384) |
| Purchases of items of property, plant and equipment | (54,654) | (43,491) |
| Proceeds from disposal of items of property, plant and equipment | 60 | 89 |
| Net cash flows used in investing activities | (26,253) | (53,311) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| New bank and other borrowings | 133,163 | 172,325 |
| Repayments of bank and other borrowings | (89,215) | (30,131) |
| Interest paid | (6,156) | (4,067) |
| Dividends paid | – | (16,004) |
| Lease payments | (13,615) | (12,066) |
| Net cash flows from financing activities | 24,177 | 110,057 |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | (251,190) | 21,035 |
| Cash and cash equivalents at beginning of period | 479,592 | 279,190 |
| Effect of foreign exchange rate changes, net | 1,888 | (14) |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | 230,290 | 300,211 |
| ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS | | |
| Cash and bank balances | 230,290 | 300,211 |
| Cash and cash equivalents as stated in the unaudited interim condensed consolidated statement of financial position and the unaudited interim condensed consolidated statement of cash flows | 230,290 | 300,211 |

## 1. CORPORATE AND GROUP INFORMATION

South China Vocational Education Group Company Limited (中國華南職業教育集團有限公司, the "Company") was incorporated in the Cayman Islands on 15 August 2018 as an exempted company with limited liability under the Companies Act of the Cayman Islands. The registered address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The principal activity of the Company is investment holding. During the reporting period, the Company and its subsidiaries (collectively referred to as the "Group") were principally engaged in providing private higher vocational education in the People's Republic of China (the "PRC").

## 2. ACCOUNTING POLICIES

### 2.1 BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements for the six months ended 30 June 2026 have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting*. The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

The unaudited interim condensed consolidated financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of amendments to HKFRS Accounting Standards effective as of 1 January 2026. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The below amendments apply for the first time in 2026, but do not have material impact on the unaudited interim condensed consolidated financial statements of the Group.

## 2. ACCOUNTING POLICIES *(continued)*

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(continued)*

*Amendments to HKFRS 9 and HKFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"*

The major changes in amendments to HKFRS 9 and HKFRS 7 are summarised as follows:

- clarified the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarified and added further guidance for assessing whether a financial asset meets the solely payments of principal and interest ("SPPI") criterion;
- added new disclosures for certain instruments with contractual terms that can change cash flows (e.g. some financial instruments with features linked to the achievement of environment, social and governance targets); and
- updated the disclosures for equity instruments designated at fair value through other comprehensive income "FVOCI".

The amendments are effective for annual reporting periods beginning on or after 1 January 2026 and are applied retrospectively with an adjustment to opening retained earnings.

The amendments did not have a material impact on the Group's unaudited interim condensed consolidated financial statements.

*Amendments to HKFRS 9 and HKFRS 7 "Contracts Referencing Nature-dependent Electricity"*

Nature-dependent electricity contracts assist companies to secure their electricity supply from wind and solar power sources. Since the amount of electricity generated under these contracts may vary based on uncontrollable factors related to weather conditions, current accounting requirements may not adequately capture how these contracts affect a company's performance.

## 2. ACCOUNTING POLICIES *(continued)*

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(continued)*

*Amendments to HKFRS 9 and HKFRS 7 "Contracts Referencing Nature-dependent Electricity" (continued)*

The amendments include:

- clarified the application of the 'own-use' requirements;
- permitted hedge accounting if these contracts are used as hedging instruments; and
- added new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026 and are applied retrospectively.

The amendments did not have a material impact on the Group's unaudited interim condensed consolidated financial statements.

*Annual Improvements to HKFRS Accounting Standards — Volume 11*

Annual Improvements to HKFRS Accounting Standards — Volume 11 set out amendments to HKFRS 1, HKFRS 7 (and the accompanying Guidance on implementing HKFRS 7), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are applicable to the Group are as follows:

- HKFRS 7 *Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing HKFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. The amendments did not have any significant impact on the Group's unaudited interim condensed consolidated financial statements.

## 2. ACCOUNTING POLICIES *(continued)*

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(continued)*

*Annual Improvements to HKFRS Accounting Standards — Volume 11 (continued)*

- HKFRS 9 *Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. The amendments did not have any significant impact on the Group's unaudited interim condensed consolidated financial statements.

- HKFRS 10 *Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. The amendments did not have any significant impact on the Group's unaudited interim condensed consolidated financial statements.

- HKAS 7 *Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of HKAS 7 following the prior deletion of the definition of "cost method". The amendments did not have any impact on the Group's unaudited interim condensed consolidated financial statements.

## 3. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the provision of higher vocational education services in the PRC.

HKFRS 8 *Operating Segments* requires operating segments to be identified on the basis of internal reporting about components of the Group that are regularly reviewed by the chief operating decision makers in order to allocate resources to segments and to assess their performance. The information reported to the Directors, who are the chief operating decision makers, for the purpose of resource allocation and assessment of performance does not contain discrete operating segment financial information and the Directors review the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented.

## 3. OPERATING SEGMENT INFORMATION *(continued)*

### Geographical information

During the reporting period, the Group operated within one geographical segment because all of its revenue was generated in the PRC and all of its long-term assets/capital expenditure were located/incurred in the PRC. Accordingly, no further geographical segment information is presented.

### Information about major customers

No revenue from services provided to a single customer accounted for 10% or more of the total revenue of the Group during the reporting period (six months ended 30 June 2025: Nil).

## 4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue, other income and gains is as follows:

| | Notes | For the six months ended 30 June 2026 RMB'000 (Unaudited) | 30 June 2025 RMB'000 (Unaudited) |
|---|---|---|---|
| **Revenue** | | | |
| *Revenue from contracts with customers* | | | |
| Tuition fees | (a) | 351,028 | 328,837 |
| Boarding fees | (a) | 31,080 | 30,463 |
| Other education service fees | (b) | 4,465 | 2,485 |
| Total | | 386,573 | 361,785 |
| **Other income and gains** | | | |
| Rental income | | 20,886 | 18,267 |
| Training income | | 13,986 | 7,998 |
| Government grants: | | | |
| Related to assets | (c) | 1,607 | 3,417 |
| Related to income | (d) | 912 | 832 |
| Bank interest income | | 897 | 1,995 |
| Brand licensing income | 14(b) | — | 909 |
| Exchange gain, net | | 154 | — |
| Others | | 31 | 434 |
| Total | | 38,473 | 33,852 |

## 4. REVENUE, OTHER INCOME AND GAINS *(continued)*

Notes:

(a) Tuition fees and boarding fees mainly represented income received from the provision of education and boarding services to the students, which were recognised over time, i.e. the academic year, of the services rendered.

(b) Other education service fees mainly represented income received from the provision of other education services including training services to the students, which was recognised over time, i.e. the training periods, of the services rendered.

(c) Government grants related to assets represent the subsidies in connection with certain pieces of leasehold land and the electronic devices relating to teaching activities. These grants related to assets are released to profit or loss over the expected useful lives of the relevant assets.

(d) Government grants related to income represent the subsidies compensated for the incurred operating expenses arising from teaching activities, which were recognised as other income when the incurred operating expenses fulfilled the conditions attached.

### Contract liabilities

The Group receives tuition and boarding fees from students in advance prior to the beginning of each academic year or semester. The performance obligation is satisfied proportionately over the relevant period of the applicable program. The students are entitled to the refund of the payment in relation to the proportionate service not yet provided.

Significant changes in the contract liability balances during the period/year are as follows:

| | Six months ended 30 June 2026 RMB'000 (Unaudited) | Year ended 31 December 2025 RMB'000 (Audited) |
|---|---|---|
| At the beginning of the period/year | **321,462** | 293,790 |
| Revenue recognised that was included in the balance of contract liabilities at the beginning of the period/year | **(319,647)** | (291,975) |
| Increases due to cash received, including amounts recognised as revenue during the period/year | **159,675** | 806,514 |
| Revenue recognised that was not included in contract liabilities at the beginning of the period/year | **(62,461)** | (485,370) |
| Transfer to refund liabilities | **(6,491)** | (1,497) |
| At the end of the period/year | **92,538** | 321,462 |

## 4. REVENUE, OTHER INCOME AND GAINS *(continued)*

**Contract liabilities** *(continued)*

*Revenue recognised in relation to contract liabilities*

The following table shows the amounts of revenue recognised in the current period that were included in the contract liabilities at the beginning of the reporting period:

| | For the six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **RMB'000** | RMB'000 |
| | **(Unaudited)** | (Unaudited) |
| Revenue recognised that was included in the balance of contract liabilities at the beginning of the period | | |
| Tuition fees | 284,877 | 242,306 |
| Boarding fees | 34,770 | 28,224 |
| Total | 319,647 | 270,530 |

**Unsatisfied performance obligations**

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 30 June 2026 are as follows:

| | **30 June 2026** | 31 December 2025 |
|---|---|---|
| | **RMB'000** | RMB'000 |
| | **(Unaudited)** | (Audited) |
| Expected to be recognised within one year: | | |
| Tuition fees | **88,020** | 287,889 |
| Boarding fees | **4,518** | 33,573 |
| Total | **92,538** | 321,462 |

The amounts of transaction prices associated with unsatisfied or partially unsatisfied performance obligations do not include variable consideration which is constrained.

There were no contract assets at the end of the reporting period recognised in the unaudited interim condensed consolidated statement of financial position.

## 5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

| | Notes | For the six months ended 30 June 2026 RMB'000 (Unaudited) | 2025 RMB'000 (Unaudited) |
|---|---|---|---|
| Employee benefit expense (excluding directors' and chief executive's remuneration): | | | |
| Wages and salaries | | 142,674 | 129,872 |
| Pension scheme contributions (defined contribution scheme)**** | | 9,598 | 8,775 |
| Total | | 152,272 | 138,647 |
| Depreciation of property, plant and equipment | | 44,233 | 40,758 |
| Depreciation of right-of-use assets | | 16,164 | 16,066 |
| Depreciation of investment properties | | 965 | 965 |
| Amortisation of other intangible assets* | | 2,604 | 1,554 |
| Exchange loss, net | | — | 64 |
| Donation expenses*** | | 3 | 316 |
| Lease payments not included in the measurement of lease liabilities | | 1,480 | 1,157 |
| Auditor's remuneration | | — | — |
| Loss on disposal of items of property, plant and equipment, net*** | 9 | 90 | 90 |
| Bank interest income | 4 | (897) | (1,995) |
| Government grants** | 4 | (2,519) | (4,249) |

* The amortisation of other intangible assets is included in cost of sales in the unaudited interim condensed consolidated statement of profit or loss and other comprehensive income.

** There are no unfulfilled conditions or other contingencies attaching to the government grants that have been recognised.

*** These amounts are included in other expenses in the unaudited interim condensed consolidated statement of profit or loss and other comprehensive income.

**** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

## 6. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act of the Cayman Islands and accordingly is not subject to income tax from business carried out in the Cayman Islands.

Lingnan Education Investment Limited, the Company's directly held subsidiary, was incorporated in the BVI as an exempted company with limited liability under the BVI Companies Act and accordingly is not subject to income tax from business carried out in the BVI.

South China Vocational Education Group (Hong Kong) Limited, a subsidiary incorporated in Hong Kong, is subject to income tax at the rate of 16.5% on the estimated assessable profits arising in Hong Kong. No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the period.

Pursuant to the decision (the "2016 Decision") of the Standing Committee of the National People's Congress on Amending the Private Schools Promotion Law of the PRC (《全國人民代表大會常務委員會關於修改〈中華人民共和國民辦教育促進法〉的決定》), which was promulgated on 7 November 2016 and came into force on 1 September 2017, private schools are no longer being classified as either schools for which the school sponsor(s) require reasonable returns or schools for which the school sponsor(s) do not require reasonable returns. Instead, the school sponsor(s) of a private school may choose for the school to be a for-profit private school or a non-profit private school, with the exception that schools providing nine-year compulsory education must be non-profit.

On 14 May 2021, the State Council released the Regulations for the Implementation of the Private Schools Promotion Law of the PRC (《中華人民共和國民辦教育促進法實施條例》) with an effective date of 1 September 2021 (the "2021 Implementation Rules"). The 2021 Implementation Rules are the detailed implementation rules of the Private Schools Promotion Law of the PRC. Pursuant to the 2016 Decision and the 2021 Implementation Rules, a private school may enjoy the preferential tax policies, which are not defined under both the 2016 Decision and the 2021 Implementation Rules, as stipulated by the related government authorities and a non-profit school may enjoy the same tax policies as enjoyed by a public school.

## 6. INCOME TAX *(continued)*

According to the Implementing Opinions of the Guangdong Provincial Government on Encouraging Private Entities and Individuals to Operate Schools and Promote the Healthy Development of Private Education (《廣東省人民政府關於鼓勵社會力量興辦教育促進民辦教育健康發展的實施意見》), which was promulgated by the People's Government of Guangdong Province on 4 May 2018 and the 2016 Decision, school sponsors of private schools which were established and registered in Guangdong prior to 7 November 2016 may choose for the schools to be for-profit private schools or non-profit private schools at their own discretion, except for the schools providing compulsory education, which must be non-profit. However, the Implementing Measures of Classification Registration for Private Schools (《關於民辦學校分類登記的實施辦法》), which was promulgated by five departments of the Guangdong province government and came into effect on 30 December 2018, does not specify a deadline for the existing private schools to elect to be registered as non-profit or for-profit private schools. As at the date of approval of these unaudited interim condensed consolidated financial statements, the PRC Schools have not yet registered as for-profit private schools or non-profit private schools and remain as private non-enterprise units.

During the six months ended 30 June 2026, although no new taxation policies or implementation regulations have been promulgated that would expressly require private schools to be subject to PRC corporate income tax ("CIT"), series of tax re-assessments were initiated by the local tax authority in relation to the vocational education industry in the region since prior year. During this re-assessment process, the local tax authority requires the PRC Schools to treat their academic education income as taxable. In light of the prevailing practice adopted by the local tax authority, the Group has recognised a provision for CIT of approximately RMB19,269,000 in respect of the academic education income generated by the PRC Schools for the six months ended 30 June 2026.

Pursuant to the PRC CIT Law, the Notice Regarding the Implementation on Tax Reduction/Exemption Policies for Small and Micro-sized Enterprises (SMEs) and the respective regulations, Qingyuan Lingnan Driving School Co., Ltd. ("Lingnan Driving") and Guangzhou Production and Education Integration Industry Service Co., Ltd ("Production and Education Integration") was entitled to a preferential tax rate of 20% of its respective taxable income during both periods ended 30 June 2026 and 2025. Except for Lingnan Driving and Production and Education Integration, the Group's other subsidiaries (six months ended 30 June 2025: other non-school subsidiaries) which operate in Mainland China are subject to CIT at a rate of 25% on their respective taxable income during the period ended 30 June 2026.

## 6. INCOME TAX *(continued)*

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

| | For the six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **RMB'000** | RMB'000 |
| | **(Unaudited)** | (Unaudited) |
| Current — Chinese Mainland | | |
| Charge for the period | **19,269** | 58 |
| Deferred | **1,777** | (186) |
| Total | **21,046** | (128) |

## 7. DIVIDENDS

| | For the six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **RMB'000** | RMB'000 |
| | **(Unaudited)** | (Unaudited) |
| Proposed Interim — nil (six months ended 30 June 2025: HK2.0 cents) per ordinary share | **—** | 24,321 |
| Final declared and paid — nil (2025: HK1.3 cents) per ordinary share | **—** | 16,004 |

No dividend declared for the six months ended 30 June 2026 (six months ended 30 June 2025: on 29 August 2025, the board of directors proposed to declare an interim dividend of HK2.0 cents per ordinary share, amounting to a total of approximately RMB24,321,000).

## 8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,334,000,000 (six months ended 30 June 2025: 1,334,000,000) in issue during the period.

The calculation of the diluted earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The Group had no potentially dilutive ordinary shares in issue during the periods ended 30 June 2026 and 2025.

The calculations of basic and diluted earnings per share are based on:

| | For the six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **RMB'000** | RMB'000 |
| | **(Unaudited)** | (Unaudited) |
| **Earnings** | | |
| Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculations | 57,849 | 83,660 |

## 8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT *(continued)*

| | Number of shares For the six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| **Shares** | | |
| Weighted average number of ordinary shares in issue during the period used in the basic and diluted earnings per share calculations | 1,334,000,000 | 1,334,000,000 |

## 9. PROPERTY, PLANT AND EQUIPMENT

Assets with a net book value of RMB272,000 were disposed of by the Group during the six months ended 30 June 2026 (six months ended 30 June 2025: RMB179,000), resulting in a net loss on disposal of RMB90,000 (six months ended 30 June 2025: RMB90,000) (Note 5).

## 10. ACCOUNTS RECEIVABLE

An ageing analysis of the accounts receivable as at the end of the reporting period, based on the transaction date and net of loss allowance, is as follows:

| | **30 June 2026 RMB'000 (Unaudited)** | 31 December 2025 RMB'000 (Audited) |
|---|---|---|
| Within one year | **7,682** | 8,129 |
| One to two years | **(14)** | — |
| Total | **7,668** | 8,129 |

## 11. SHARE CAPITAL

**Shares**

| | 30 June 2026 RMB'000 (Unaudited) | 31 December 2025 RMB'000 (Audited) |
|---|---|---|
| **Issued and fully paid:** | | |
| 1,334,000,000 (31 December 2025: 1,334,000,000) ordinary shares | **11,124** | 11,124 |

## 12. CONTINGENT LIABILITIES

As at 30 June 2026, the Group did not have any significant contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened (31 December 2025: Nil).

## 13. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

| | 30 June 2026 RMB'000 (Unaudited) | 31 December 2025 RMB'000 (Audited) |
|---|---|---|
| Property, plant and equipment | **15,636** | 157,365 |

## 14. RELATED PARTY TRANSACTIONS

The Directors are of the view that the following persons and companies are related parties that had material transactions or balances with the Group during the period.

### (a) Name and relationship of related parties

| Name | Relationship |
|---|---|
| Mr. He Huishan (賀惠山) | Director of the Company and one of the shareholders |
| Ms. Zhou Lanqing (周蘭慶) | Spouse of Mr. He Huishan and one of the shareholders |
| Ms. He Huifen (賀惠芬) | Director of the Company, one of the shareholders and sister of Mr. He Huishan |
| Mr. Han Liqing (韓利慶) | Spouse of Ms. He Huifen |
| Mr. Du Wenyu (杜文宇) | One of the shareholders of the Company |
| Guangzhou Lingnan Tongwen Education Investment Management Co., Ltd.* (廣州嶺南同文教育投資管理有限公司) and Tongwen School (Guangzhou) Education Investment Co., Ltd. (同文學堂(廣州)教育投資有限公司), together "Tongwen Investment") | A limited liability company indirectly owned by Ms. He Huifen, Mr. Han Liqing and Ms. Zhou Lanqing |
| Guangzhou Lingnan Health Valley Investment Co., Ltd.* (廣州嶺南養生谷投資有限公司, "Health Valley") | A limited liability company controlled by Mr. He Huishan and Ms. Zhou Lanqing |
| Guangzhou Tianhe Lingnan Kindergarten (廣州市天河區嶺南幼兒園, "Lingnan Kindergarten") (formerly named Guangzhou Tianhe Lingnan International Kindergarten) | A school controlled by Mr. He Huishan |
| Guangzhoushi Huangpuqu Lingnan Shuyuan Academy Training Center* (廣州市黃埔區嶺南書院培訓中心, "Huangpu Training Center") | A company controlled by Mr. Du Wenyu |
| Guangzhou Nanguo Study Abroad Services Co., Ltd.* (廣州南國交留學服務有限公司, "Guangzhou Nanguo") | A limited liability company indirectly controlled by Ms. He Huifen and Mr. Han Liqing |
| Guangzhou China-Foreign Aipei Education Investment Co., Ltd.* (廣州華外愛培教育投資有限公司, "Aipei Education") | A limited liability company indirectly controlled by Ms. He Huifen and Mr. Han Liqing |

## 14. RELATED PARTY TRANSACTIONS *(continued)*

### (a) Name and relationship of related parties *(continued)*

* The English names of these companies established in the PRC represent the best effort made by the Directors to translate the Chinese names as they have not been registered with any official English names.

(b) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the period:

| | For the six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **RMB'000** | RMB'000 |
| | **(Unaudited)** | (Unaudited) |
| **Rental income** | | |
| Tongwen Investment | **334** | 328 |
| Health Valley | **3,461** | 3,439 |
| Guangzhou Nanguo | **516** | – |
| Total | **4,311** | 3,767 |

The rental income was made according to the published prices and conditions offered to the other third party lessees of the Group.

| | For the six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **RMB'000** | RMB'000 |
| | **(Unaudited)** | (Unaudited) |
| **Brand licensing income** | | |
| Lingnan Kindergarten | **–** | 909 |

## 14. RELATED PARTY TRANSACTIONS *(continued)*

**(b)** *(continued)*

The brand licensing income was received for the brand name used by Lingnan International Kindergarten. The fees were charged pursuant to the normal commercial terms in the agreements signed between the Group and Lingnan Kindergarten.

| | For the six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **RMB'000** | RMB'000 |
| | **(Unaudited)** | (Unaudited) |
| **Services fee** | | |
| Health Valley | **–** | 1,927 |

The services fee was paid to Health Valley for the cost incurred for the practical teaching course for the students from healthcare college provided by Health Valley. The fees were charged pursuant to the normal commercial terms in the agreements signed between the Group and Health Valley.

**(c) Outstanding balances with a related party**

As disclosed in the unaudited interim condensed consolidated statement of financial position, the Group had outstanding balances due from related parties as at 30 June 2026 as follows:

*Amounts due from related parties:*

| Name | **30 June 2026 RMB'000 (Unaudited)** | 31 December 2025 RMB'000 (Audited) |
|---|---|---|
| Tongwen Investment | **2,046** | – |
| Mr. He Huishan | **530** | 530 |
| Health Valley | **5,770** | 1,075 |
| Aipei Education | **–** | 356 |
| Total | **8,346** | 1,961 |

## 14. RELATED PARTY TRANSACTIONS *(continued)*

### (c) Outstanding balances with a related party *(continued)*

As at 30 June 2026, the amounts due from the related parties were mainly trade in nature, unsecured, interest-free and repayable within one year, and were caused by the transactions disclosed in Note 14(b) to the unaudited interim condensed consolidated financial statements.

*Amounts due to related parties:*

| Name | 30 June 2026 RMB'000 (Unaudited) | 31 December 2025 RMB'000 (Audited) |
|---|---|---|
| Tongwen Investment | – | 557 |
| Guangzhou Nanguo | 259 | – |
| Total | 259 | 557 |

The amounts due to related parties were unsecured, interest-free and repayable on demand.

### (d) Compensation of key management personnel of the Group:

| | For the six months ended 30 June | |
|---|---|---|
| | 2026 RMB'000 (Unaudited) | 2025 RMB'000 (Unaudited) |
| Salaries, allowances and benefits in kind | 2,250 | 1,374 |
| Performance related bonuses | 19 | – |
| Pension scheme contributions | 10 | – |
| Total compensation paid to key management personnel | 2,279 | 1,374 |

The related party transactions in respect of rental income and brand licensing income above also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

## 15. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

As at 30 June 2026, the fair values of the Group's financial assets and liabilities approximated to their respective carrying amounts.

Management has assessed that the fair values of financial assets included in prepayments, other receivables and other assets, accounts receivable, amounts due from related parties, cash and cash equivalents, time deposits, financial liabilities included in other payables and accruals, the current portion of interest-bearing bank and other borrowings, amounts due to related parties approximate to their carrying amounts largely due to the short term maturities of instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for non-current portion of interest-bearing bank and other borrowings as at the end of the reporting period were assessed to be insignificant. The fair values of the non-current portion of interest-bearing bank and other borrowings approximate to their carrying amounts as at the end of the reporting period.

## 15. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

### Fair value hierarchy

No assets were measured at fair value as at 30 June 2026 and 2025. The following tables illustrate the fair value measurement hierarchy of the Group's financial liabilities:

*Liabilities for which fair values are disclosed:*

As at 30 June 2026

| | Fair value measurement using | | | |
|---|---|---|---|---|
| | Quoted prices in active markets (Level 1) RMB'000 (Unaudited) | Significant observable inputs (Level 2) RMB'000 (Unaudited) | Significant unobservable inputs (Level 3) RMB'000 (Unaudited) | Total RMB'000 (Unaudited) |
| Non-current portion of interest-bearing bank and other borrowings | – | 281,451 | – | 281,451 |

As at 31 December 2025

| | Fair value measurement using | | | |
|---|---|---|---|---|
| | Quoted prices in active markets (Level 1) RMB'000 (Audited) | Significant observable inputs (Level 2) RMB'000 (Audited) | Significant unobservable inputs (Level 3) RMB'000 (Audited) | Total RMB'000 (Audited) |
| Non-current portion of interest-bearing bank and other borrowings | – | 274,423 | – | 274,423 |

During the reporting period, there were no transfers of fair value measurement between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (six months ended 30 June 2025: Nil).